
STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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School Property Tax Control Board Meeting Minutes November 6, 2008

Call to Order: This special appeals hearing of the School Property Tax Control Board (SPTCB) was held on Thursday, November 6, 2008 at 10:00 am. The meeting was held in the Indiana Government Center South, Conference Center Room C, 302 West Washington Street, Indianapolis, IN 46204. Those in attendance were Richard Besinger, David Bowen, Debbie Hineline, Dan Jones, Paul Joyce, Morris Mills (Chairman), Denise Seger, Chuck McLean (Administrative Officer), and Linette Pedigo (Administrative Secretary) and Tafrica L. Harewood (Interim Administrative Secretary).

General Explanation and Discussion on Appeals: Mr. Mills called the meeting to order at 10:03 AM. He began the meeting by requesting that Mr. McLean brief those present at the hearing on the authority of the Board in the appeals process, how the Board will handle the appeals, and the calculations involved in the process.

Mr. Mills commented that the second issue that has arisen has to do with transportation appeals for prices ranging from \$5.50 per gallon and down. He suggests that the Board might like to set at uniform price at some point so that the funds can be evenly distributed across the board. Mr. McLean responded to the question pertaining to the authority of the Board and how they are to handle the appeals, which like in any other situation the Board is to listen to the appeal and make a recommendation to the commissioner as to whether or not she should sign off on the appeal. He informed the Board that they would look at some Units, which they have seen before for new facilities appeals. However, the majority of the appeals brought before the Board would be transportation appeals. The reason why these have been lumped together at once is to propel the conversation forward on transportation appeals. The Department of Local Government Finance (DLGF) has been wrestling with the issue of what constitutes the price of a gallon of gas for the last three months and if you ask anyone in the office you will get a different answer. The DLGF came to the conclusion that rather than give advice to this Board, the agency would allow the Board to look at each case individually if they so choose or they could lay out a specific recommendation for the price of a gallon of gas for the purpose of these appeals. The DLGF would then take that information and recalculate the appeal to determine firstly if the unit qualifies for the appeal and secondly if they do qualify for the appeal, determine how much they would qualify for, given the Board's recommendation.

Mr. Besinger commented that the majority of the buses used by the units are diesel and that there is a significant difference in price between gas and diesel. Mr. McLean responds affirmatively, most of the buses do run on diesel fuel. In addition, one of the things that will come up as the appeals are presented is that some of the units are relatively large and have their own fuel depots, which means that they considerably more economic power over that gallon of diesel. Whereas some of the units

are in smaller communities where they have to go to their local distributor to get their fuel and they do not have that same power. Mr. Besinger commented that when pricing fuel the state tax should be backed out of that price at about fifteen cents along with the sales tax.

Mr. Mills adds that the state tax on diesel fuel is 24 cents. Mr. Besinger clarifies that the current price of diesel fuel is about \$2.89 at the pump, but without the state and sales tax which come to about twenty-four cents and twenty cents respectively, the price would come to near \$2.45, which is a big difference from \$2.89. Mr. McClean commented that units are not instructed to deduct that tax from the price of a gallon of gas as they create their appeals, so there is no way to know if their request includes a subtraction for those taxes or not.

Mr. Besinger offered that as the Board sets the price or the commissioner sets the price that could be considered so that the state and sales tax would not be included in setting a fair price for the units coming before the Board with appeals. Mr. McLean indicated that it is the prerogative of the Board as they decide to set a price that would apply to all the appeals and that price is exclusive of the state and sales taxes the DLGF can work that calculation. Mr. Mills submitted that if you are going to do that then the Board should consider the future price of diesel fuel for the next 12 to 14 months into consideration along with the average bulk market price and retail price to come up with a price for diesel fuel.

Mr. McLean responds that the DLGF considered this and there are a large number of indexes that will give us that data, the challenge is the indexes themselves. Since we do not have an Indiana Department of Commerce statistic that we can grab, we are going out into the private sector to grab a statistic and then you get into an argument over whether or not that is a legitimate statistic to use in the equation. It has been envisioned. It has been talked about, but it is not something that we believe we can fairly ask the units to live with.

Mr. Bowen asserted that the problem is that we are dealing with projections. We are dreaming about what is going to happen. He offered a question about the process for determining this price for fuel, if we (the Board) make a mistake and set a number and twelve months from now we find out we are wrong – can we make or can the unit come back next year for an adjustment on that amount.

Mr. McLean clarified that the unit can make an appeal next year and many of the units to be seen today appeared last year, they appealed last year and they guessed low and many of them are upset about this and they are here with another guesstimate. Mr. Besinger suggested that the units could have gotten a price set for diesel fuel instead of gambling as to whether or not the price would rise or fall. The responsibility for the transportation shortfall falls on the school corporation for not locking in a price that was consistent with their designated fuel allotment or the appeal amount they were given previously. In addition, the units should not spend money that they do not have. Though the Board cannot regulate school corporations doing so, contracting would protect the units.

Mr. McLean concurs that contracting does fix the price. He also commented that the larger suburban school districts have the capacity to pull off that kind of negotiation. However, the smaller school units have budgets that are so tight that they are willing to gamble on the rise or fall of the price of fuel, and some of the more rural units that do a lot of driving do work on a very tight budget. Mrs. Hineline commented that the key is fixing the price while price is down. She added that just because the contract is there for the fuel does not mean that there is money in the budget to cover it, because if you have to get students to and from school, you do not have much choice.

Mr. McLean stated that this was a perfect time to introduce the first unit that we would hear from today.

Minutes and Discussion: Mr. Mills then called for any changes or corrections to the September 8, 2008 minutes and the October 2, 2008 minutes. Mr. Bowen motioned to recommend approval of the September 8, 2008 minutes and the October 2, 2008 minutes without changes or corrections. Mr. Besinger seconded and the motion carried by a vote of 6-0-1. Mr. Jones abstained due to his absence from those meetings. Mr. Mills requested that the Board members vote by raising their hands so that the new person taking notes would be able to identify them.

Shelby Eastern School Corporation,

Shelby County

Amortization of Loan

Summary: The school is requesting that the \$1,900,000 loan they received last year to cover operating expenses be allowed to be converted to a fully amortized debt with payment over time. At the time it was discovered that the Superintendent was not fully aware that the school had been designated a “controlled” school, nor fully what it meant. On 10/06/2008 the DLGF advised the Superintendent that he needs to come to the SPTCB to explain the level of the unit’s compliance and actions since they became “controlled.”

Present for the hearing: Jerry J. Lux, School Attorney; Donald Swisher, Superintendent; Mary Scott, Shelby Eastern School Corporation Treasurer; Mark R. Nigl, Board Member; Rick Haymond, Board Member; Larry Lux, E.V.P. Shelby County Bank; Donna Tracy, Board Member; Doug Stocklin, President of School Board; Donna Tracy, Secretary of the School Board and a member of the finance committee; Rick Haymond, Chair of the Finance Committee and a board member; Kris Scott, Treasurer.

Comments: Mr. Jerry Lux introduced himself and the group and began by saying they are not here today for transportation concerns, but because they were here more than a year ago with respect to an emergency appeal in which the Board recommended and the Commissioner authorized the borrowing of \$1.9 million as an emergency loan. Mr. Lux stated that the Shelby Eastern School representatives were before the SPTCB to ask for the recommendation to the Commissioner to be able to amortize that under the debt consolidations of the corporation. He said they needed to address and had provided Mr. Swisher and Mr. Stocklin, a letter to the SPTCB addressing the issue as to whether or not the Shelby Eastern School Corporation had complied with the Control Board restrictions with the operation of our school corporation. Mr. Lux added that with respect to that, if there was any manner in which they were out of compliance it would have to be his fault because they have asked for opinions with respect to this on any issue that has come up on an expenditure of more than \$10,000. He said that the only one that they had was the casualty and liability insurance for the corporation which is a new contractor, with whom they will save \$24,000 over 3 years in changing the vendor with regard to the liability insurance. Mr. Lux stated that that is the only contract the School Corporation has entered into since the October 27 letter they received from the Commissioner last year placing them under a control. Mr. Lux explained that his interpretation of the statute was that unless the Corporation exceeded \$10,000 in a new contract and would be replacing old contracts in that situation, then, they did not have to come back to the Control Board for approval. He added that if that interpretation was incorrect, then that was his fault. Mr. Lux shared that there had been no attempt by the School Board to acquire any new buildings or have any new construction or any

renovation or remodeling that has exceeded \$10,000. He also said that they have not entered into any new lease for any property, buildings or otherwise or paid annual rent that was in excess of \$10,000. The only other item of concern then would be our 2009 budget for which they did advertise on the Monday before the SPTCB hearing. Mr. Lux indicated that this was suggested at least so that the School Corporation would be able to get on the hearing that was necessary to approve that budget. He called to the attention of the SPTCB members that the Shelby Eastern School Corporation had come before them previously when John Jameson was their Superintendent. Mr. Lux remarked that shortly after that, Mr. Jameson left the Corporation, December 1, 2007. He said that they had an interim Superintendent until August 1, and now had Don Swisher, who they felt was doing a yeoman's job with the financing of the Corporation. Mr. Lux commented that there just had not been sufficient time for him to get the budget put together. He said that there had been no work done by the interim superintendent at that particular point on the preparation of budget for the 2009 school year. He added that those would be the only two areas that if the Corporation has sketched the edges of the compliance with the Control Board, they would need to be addressed. Mr. Lux went on to say that with respect to the other part of the letter that came from Commissioner Musgrave, with regard to addressing the financial things that the Corporation has done to improve, Mr. Swisher would address those.

Mr. Swisher thanked Mr. Lux, the SPTCB and Mr. Mills. He introduced those with them. He apologized for not getting a handle on things quickly enough, as he was filling in for an elementary school principal who resigned a week before school started and was also busy hiring teachers that they had to hire. He was going about trying to instill a certain degree of educational importance amongst the staff. Mr. Swisher offered thanks to Mrs. Lessaris, Mr. Hudson and Mr. McLean of the DLGF because the letter from September fully caught his attention that they had obligations; they had commitments to the SPTCB that they had to meet. He said that any errors made have been strictly out of stupidity; however, there would not be errors in the future as he would work to make sure the Corporation is compliant. Mr. Swisher stated that they have needed lots of help reviewing the 2008 budget which was a disaster. Mrs. Lessaris and Mr. Hudson have been helping with that. He also stated that he has been reviewing the 2008 budget so that he could prepare the one for 2009. For 2008-2009 he estimated that the Corporation is making progress. He said that they are accountable – he is accountable to the school board and the school board and he are accountable to the SPTCB, since they have authorized some relief. Mr. Swisher said that they are state controlled and mentally they need to continue to remember that every month. He said he had assured Mr. McLean that they would speak often. Mr. Swisher expressed that he thinks Mr. McLean understands that the Corporation wants to work together to try to right their financial ship. Mr. Swisher stated that the ship was sinking. He said he believes that they are getting it right, but are still taking on water. He said that he is fully convinced that the general fund between the 2008 and 2009 budgets will be completely solvent, that the Corporation will be in a position where what they draw is a little bit more than what they spend. He said he would like to say that same for 2008, however they had so many carry-overs of 2007 bills that we had to pay in 2008 including expenses related to the career center and the special services center. Mr. Swisher explained that in their first two months of 2008 they spent about 1/3 of our budget. He said those are the top playing issues. He said they are on track now, but he does not want to say they will be solvent until 2009. He said every other fund is okay except for transportation operating, which he would address that in a few moments.

Mr. Swisher stated that they had a lot of tax payers concerned about Shelby Eastern and they should have been as they had advertised a rate of over \$9.00 for the 2008 budget, with an AV of \$410,000,000. He noted that their advertised budget for 2009 is \$2.5412 million, with an estimated

AV of \$315,000,000, considerably less because of the housing market issues. He said they have to prepare for the reductions in the AV out there.

Mr. Swisher reviewed the Corporation's situation from 2007, when they were on the hook for \$2.6 million in outstanding loans from Fifth-Third Bank. In 2008, he said they are still on the hook, but for \$1,900,000, which is \$700,000 better. He acknowledged that it may not be good enough, but they are working on it. He said are making progress and creating some savings. Mr. Swisher shared that when the elementary school principal resigned, the Corporation saved some money by having him fill-in. He said that when they rehired someone they saved \$11,203. He shared another situation where a high school principal left and was replaced with a retired principal who had been an elementary school principal and that generated \$23,225 savings. He explained that for the Superintendent position, the corporation is saving over \$8,000 pulling in a retired guy. Mr. Swisher went on to share that they eliminated one custodial position, for a savings of \$22,106; a computer tech support, which was \$8,269 in savings; and there were certified changes where they cut three positions that generated \$202,867. He stated that the sub-total was \$275,697.67 in spite of the fact that he was brought on board late, or he may have been able to generate more savings. He said he believes that in the 2009-2010 school year, they will continue to reduce. He commented that with regard to the savings for Blue River Career Center, they have made some changes in their funding and what their target was and that was going to generate over \$112,000 savings for 2009. Mr. Swisher said the same was true for their career program which would generate a savings period because they have had to pay a year and half in 2008, so next year there will be a savings in that. He said that Corporation has not taken advantage of the opportunity to take utilities and property casualty out of the capital projects fund. He said that would offer in 2008-2009, a \$264,383 savings and \$60,000, which would then bring them to total savings of roughly \$712,132.67.

Mr. Swisher stated that there are some other things the Corporation is doing; for example for the teachers that were grandfathered on retirement clauses, in 2008-2009 that is going to cost \$153,750, the following year, it is \$123,750; in 2010, it is \$84,750. He explained that the obligation is going down and it ends up in 2015-2016 school year at \$10,000. He noted that there was a debt of 2.5 million dollars accrued in 2003, and no payments had been paid toward the principal of that loan. Mr. Swisher shared with the SPTCB that in 2007 the debt was paid off at the cost of being a deficit in the transportation operating. He said they are at \$1.9 million at Shelby County Bank. He mentioned the possible trouble with having two buildings under construction, and suggested that maybe they should have gone to one. He said had given the School Board two and half years to try to get Shelby Eastern solvent, productive, to be able to hang their heads a little higher and be proud. Mr. Swisher said they are proud of their school, which a sectional champ in volleyball and Mr. Swisher stated that the people of the community were up in arms and should have been because oversight had been an issue. He said he is trying to provide it, the School Board is trying to provide it of him and then the SPTCB is going to provide it for all of them.

Mr. Swisher said that the contracts, old contracts, committed the School Corporation's CPF fund to a tremendous amount of money. He said that several of these are gone, but the last payment may be in January 2010. Concerning their transportation operating fund, he said they were not before the SPTCB for a levy on fuel, as that would be inappropriate. He said for their transportation operating fund, they spend \$879,207.50 on contractors, which includes fuel and drivers, buses. He said that they contract service and during 2008, they are looking at \$700,000 general line one budget, which they will not be able to support in 2009. Mr. Swisher explained that every year the Corporation is a couple hundred thousand in deficit spending and that had been going on and on and on. Mr. Swisher

goes on to say that State law allows them an opportunity to shift cost to the replacement of equipment on these contractors, which is what he will be asking taxpayers to do in 2009.

Mr. Morris wanted to clarify the School Corporation's request. Mr. McLean stated that they are asking for the authority to take the debt they have with Shelby Bank, \$1.9 million, and amortize it over time, taking it from one year to six years. Mr. Morris confirmed that the School Corporation received the loan as well as the levy the year before. Mr. McLean stated that was correct. Mr. Morris asked if it was the case that they would have a \$2.54 tax rate for 2009. Mr. Swisher said that is what they are advertising. Mr. Morris informed him that they cannot levy two and a half dollars because they are going to run into circuit breakers on it, and asked what their rate would be given that. Mr. Swisher replied that the rate depends on how they handle the funding or refinancing of the repayment of the loan in question. He said that he thinks the rate will be about \$2.00, which would include \$400,000 for levy and general fund.

Mr. Joyce asked the Corporation what the original arrangement was for the loan in 2007. Mr. Lux stated that the arrangement was that they would amortize it out over 5 to 10 years eventually. Mr. Joyce asked if they anticipated coming back for another operating or emergency loan and shared that he does not agree with bonding current operating expenses as it is not an effective way to conduct business. Mr. Lux said that that information was represented to the Board.

Mr. Bowen asked what the Corporation meant when they referred to "commitments" in the information they provided. Mr. Swisher stated that it referred to energy savings plan, structure project, lease/rental for copy machines, monitoring services for energy savings and more. Mr. Bowen pointed out that Corporation would be considered bankrupt in the private sector. He asked if there was any way to renegotiate the commitments he is referring to based on their current condition. Mr. Swisher stated that they are making changes to some of those commitments like their cell phone contract, but the Corporation would likely still face being sued. He said that some contracts will expire in 2009, so they could reconsider their position then. Mr. Bowen asked about the condition of their buildings. Mr. Swisher said they have some very attractive structures. He also mentioned there are some with challenges and infrastructure issues; for example they have 20% of their roofs that need repair. Mr. Bowen asked about the statement that they will cut \$264,000 from their capital projects and the relationship of that decision to utilities. Mr. Besinger asked if they were planning to use money from the capital projects to pay their utility bills. Mr. Swisher stated that was what they were considering. Mr. Besinger suggested that given their situation they would end up falling short for the repairs that need to be made and should not touch the capital projects funds to cover utilities. Mr. Swisher explained their rationale was to get general funds solvent. Mr. Besinger explained that eventually they will have to make up the money. Mr. Lux stated that because of tax revenue delays in Shelby County, they have spent \$436,000 on interest to keep the Corporation going. Ms. Hine asked if and when they would receive any tax draws. Mr. Lux stated that they probably would not receive any for 2008 before the end of the year.

Mr. Lux stated that he wanted to go back to one of Mr. Morris's questions about whether or not they have received any relief. He said the answer is yes and no. He said that they have not received any funds for 2008. Dr. Seger said that the budgets have not yet been certified. Mr. Joyce asked Mr. McLean if Shelby Eastern would remain a controlled school until the debt was paid off. Mr. McLean said that was his understanding of the law as it is written.

Mr. Morris asked Mr. McLean what would happen if the SPTCB requested that some more numbers be put together before making a decision. Mr. McLean responded that it is the SPTCB prerogative to

do so. Ms. Linda Lessaris of the DLGF came forward to give testimony. She said that if a decision by the Board was extended beyond today, then the budget order would be delayed for Shelby County, affecting more units than just Shelby Eastern. She said their budget hearing is scheduled for the following Monday. She said there is also a CPF hearing because people have petitioned against it, because they do not want funds moved out of capital projects to cover utilities. Ms. Lessaris also testified that the CPF cap rate has not been adjusted upward to allow for the utilities and insurance to be paid out of CPF. Mr. Bowen asked who would make the decision on whether that money could be transferred over. Ms. Lessaris responded that the Commissioner must make that decision. She said that to pay back the \$1.9 million in one year would be a forty-one cent tax rate, which would bring the School Corporations tax rate to just a little over \$1.92.

Mr. Morris asked if the forty-one cents would carry over for next year. He noted that he believed that the School Corporation also received a forty-six cent levy in addition to that. Ms. Lessaris said that she did not believe that was correct. She said that she believed they only received the \$1.9 million and they came before the Control Board for a \$2 million appeal or loan, which they did not receive. Ms. Lessaris said the levy is being set this year to begin paying their loan back. She said that they began taking out the loan at the end of 2007. In addition, she said that it is her understanding that they have taken out everything up to that point, and they also borrowed \$40,000 to cover interest on the loan. Ms. Lessaris went on to say that they are showing that the \$1.9 million is being repaid from the general fund, so that is the forty-one cents in the general fund levy. Mr. Bowen asked what the impact would be on the tax rate if they move repayment to cover six years instead of one. Ms. Lessaris answered that they do not know. Mr. Bowen asked what they were basing the forty-one cents on. Ms. Lessaris responded that it is based on their assessed value for 2007 pay 2008, which had been certified.

Mr. Besinger confirmed that the SPTCB are voting on the \$1.9 million. Mr. Joyce said that the vote is whether or not to allow it to be amortized over six years. Ms. Lessaris added that the order from the Commissioner did not stipulate a payment timetable. Mr. Joyce noted that from the minutes taken at last year's (2007) hearing, the proposal states that they would repay the loan over a ten to twelve year period. Dr. Seger said that forty-one cents to the tax payer is ridiculous. Ms. Hineline said that her concern is that in the way that the letters to the School Corporation were written, it sounds as if the Commissioner would take steps to impede their process if it was determined that the School Corporation did not follow the stipulations set out for them, and would possibly terminate the emergency relief. Ms. Lessaris stated that she knew that the Commissioner was very concerned the Corporation was not coming before the SPTCB due to the fact they were going to build a school, but she does not know what the circumstances would be that would cause her to revoke the loan.

Motion: Ms. Hineline made a motion to recommend the approval of the amortization of the \$1.9 million loan. Mr. Besinger seconded.

Motion passed by a vote of 7-0.

North Harrison Community School Corporation

Harrison County

New Facility Appeals

Summary: The unit has added 72,224 square feet to North Harrison Elementary School. They moved in on 08/01/2008. They explain the unit needs the increased levy due to increases in electricity cost. Advertised: \$71,294 for New Facility.

Present for the hearing: Phil Partenheimer, Superintendent

Comments: Mr. Partenheimer explained the situation of their facilities and the need that has arisen, requiring them to renovate one of their facilities. He also discussed the steps they have taken to reduce costs. He said his request is for \$71,000 for utility costs and supplies. Mr. Bowen asked if this was a 12 month request. Mr. Partenheimer said that it was.

Ms. Hineline said that the State set aside \$10 million for new facility appeals because that is what the average had been for the last several years. She also stated that the DLGF was to consider to what extent a unit's tuition support was part of new facilities. She said that she and Chuck Mayfield worked on a spreadsheet for use by the DLGF to look at a 5 year span of a unit's expenses, State support, etc. and subtract off for a new facility. She said when she ran North Harrison through the spreadsheet calculation and they would have no write off, because they have had no new facility ever.

Mr. Partneheimer said they did not add teachers, it was just strictly expansion; there were no additions except for maybe one custodian.

Motion: Mr. Morris made a motion to recommend approval of request from North Harrison Community Schools, asserting that they believe that North Harrison Schools are eligible for levies due to additions. Dr. Seger seconded.

Motion carried by a vote of 7-0.

Switzerland County CSC

Switzerland County

Transportation Appeal

Summary: The unit is located in a rural area of Indiana and has run into unique challenges with transportation of students. They are seeking a levy increase of \$370,014 in order to correct the challenge.

Advertised: \$370,014 Excessive Levy in Transportation.

Present for the hearing: Darin Gullion, Assistant Superintendent; Wilma Swango, Business Manager; Elizabeth Tharp Jones, Superintendent.

Comments: Mr. Gullion stated that their unit is before the SPTCB concerning their transportation operation budget. He said that they do bid on their gas, but it works a little differently in that the bids once made are not guaranteed to stay in place for twelve months. The unit pays the dock price plus

the set profit margin, so the unit's prices go up as the supplier's cost increase. He stated that the other reason they are before the SPTCB is because the prices have increased on contracts with the bus companies with whom they work. Mr. Gullion indicated that the price increase was due to fears associated with the increased fuel prices. Mr. Joyce asked if he had contacted the contractors to see if they would be willing to negotiate pricing based on a variable rate. Mr. Gullion replied that they do have a clause that protects them somewhat, but not for the total cost. Mr. Besinger questioned them on whether or not they can lock-in the prices. He stated that he has checked with companies who have confirmed that they will set prices for up to a year or more than a year.

Ms. Swango, the business manager of the Corporation stated that they do not have but one that will come to them because of their location. She said that they are only able to get one bid and they do run their bids each year. She said the School Corporation determines what they think they can run the route for and if the bid comes in under that cost they go with the bid. She noted that the price of the routes went up 30%, which is based on 4 years ago, but they still calculate their costs each time to see if they can beat what is being offered.

Ms. Hineline asked if the price fluctuates month to month. Ms. Swango said that it fluctuates from delivery-to-delivery, which is three times a month. She indicated that they receive their deliveries by the truckload and they have two 1,000 gallon tanks to hold it.

Mr. Bowen reviewed some of the details of the statute, noting that the Switzerland School Corporation does not meet the statutes demand for a significant increase in the number of students within the Corporation, additions of routes to accommodate the students enrolled in special education, increased transportation as mandated by court-ordered desegregation laws, etc. Mr. Bowen noted that there was an addendum to the statute that says if contract costs increase a unit could be considered for a transportation appeal and he acknowledged that the School Corporation did experience that increase. He asked the School representatives to justify the difference between their request which for \$307,000 and their apparent calculated need of \$106,000.

Mr. Gullion replied that in 2008 their transportation operating budget was \$1.2 million and their levy was \$965,000. He said their used \$135,000 of their 2007 cash balance to cover a portion of the difference, and cash balance is gone. He said that their estimated budget for 2009 is \$1.4 million and their maximum levy is set at \$1 million dollars, so they are estimating that their need is around \$307,000. Mr. Joyce asked if they were basing their estimated need on \$5/gallon diesel fuel. Mr. Gullion replied that that was correct.

Mr. Besinger asked how can they use more fuel if they are not driving more miles and have fewer students. Mr. Gullion said because they are a county wide school system, they are going to travel about the same number of miles regardless of the numbers of students. He added that they have had to take back routes from contractors, so their corporation costs for fuel go up. Mr. Gullion went on to say that the contractor that they were using was getting State police pressure and they were getting pressure to reduce the number contracts given to this contractor, so they needed to take routes back, because there is not a lot of competition for their routes.

Ms. Hineline asked how many routes they have altogether. Mr. Gullion stated that they have about 30, which they have reduced over the last few years. Ms. Hineline asked if they were to have to take back all contracts if they would have to purchase new buses. Mr. Gullion replied that they would, plus they do not have their own garages or mechanics.

Mr. Morris asked how many of the routes are contracted. Mr. Gullion replied that they have 12 contracted. Ms. Hineline asked what the cost of fuel was for their last fill-up. Ms. Swango stated that she believes it was right at \$2.00/gallon, which was probably ten days ago. Mr. Morris asked if they Corporation runs gasoline or diesel buses. Mr. Gullion stated that they operate on biodiesel.

Mr. McLean stated that based on the Corporation's figures the increase in expenses they have experienced exceeds the 10% required by the statute for consideration for the transportation appeal. He adds that if diesel were \$2.50 per gallon, it would be difficult for them to qualify.

Ms. Hineline notes that she believes that they probably need assistance, she is just unsure as to the degree of assistance they need. Mr. McLean reminded the SPTCB members that they have the authority to recommend an amount different from the amount requested by the School Corporation.

Dr. Seger commented that on October 2 minutes the decision was made to have the DLGF come up with an amount for diesel that they could use in the transportation appeals. Mr. McLean acknowledged that that guidance has not come from the DLGF as of yet and no action had been taken at that point.

Motion: Mr. Besinger made a motion to reject this appeal.

Discussion on the motion: Mr. Morris suggested and that they use a figure between \$3.00 and \$3.25/gallon and recommend that to the Commissioner. Mr. Besinger recommended that the Board respond based on the current price of fuel.

Mr. Joyce asked the School Corporation about the current condition of their transportation operating fund. Ms. Swango replied that they have a \$300,000 loan from the Indiana Bond Bank, and about \$150,000 cash balance left from that. She added that they have spent 83% of their appropriations at that point. Ms. Swango also informed the SPTCB that the Corporation had received spring taxes and had not received fall taxes at that point.

Motion dies for lack of a second.

Motion: Mr. Morris made a motion to send this on to the commissioner to find out what they would be eligible for based on a fuel cost of \$3.25/gallon. Mr. Bowen seconded.

Discussion on the motion: Mr. Besinger stated that a better option would be to allow the Commissioner to make a decision on each of the appeals based on what fuel prices are at the time that the appeal is made, instead of setting a figure.

Mr. Joyce suggested that once the school corporations get to a certain point in their appropriation, then they send in an appeal to the Commissioner stating their future needs and current market.

Dr. Seger said that based on the cost of fuel as stated in the motion, they probably would not qualify for the appeal.

Mr. Besinger points out that by setting the price seventy-five cents above what the price is currently is not being very responsible to the taxpayers of the State of Indiana. Mr. Morris points out that the other issue is that what they offering is only \$64,000 of \$307,000 that they need and asked how the School Corporation is to fill that hole.

Mr. Besinger suggested that the fuel price be dealt with as a separate issue from the question asked by Mr. Morris.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger and Mr. Joyce.

The Jay School Corporation

Jay County

Transportation Appeal

Summary: The unit is located in a rural area of Indiana and has run into escalating gas prices that have increased the cost of transportation of students. They are seeking a levy increase of \$71,607 in order to correct the challenge.

Advertised: \$71,607 Excessive Levy in Transportation

Present for the hearing: Timothy D. Long, Superintendent; Brad Derome, Business Manager.

Comments: Mr. Long stated that they are requesting a transportation loan. He reviewed the Corporation's budget process and noted that they have used the same number of miles from previous year and have estimated fuel prices at about \$2.85, even though they exceeded \$4.00 last year. He said that their tax rate has come down and there was no remonstrance with regard to their budgets submitted this year.

Mr. DeRome reviewed base of prices, which brought them to \$71,671 for the appeal request. He said their buses are owned by the School Corporation, and they have 54 buses with 40 routes. He noted some of the things they have done to keep costs down like taking a bus driver to making them a driver/mechanic. In addition, Mr. DeRome said that they have cut after-school buses and cut premiums on healthcare.

Mr. Bowen asked for clarification on their expenses, because based on the figures presented it looks as if they are spending fifty-seven cents a mile to operate buses. Mr. Morris suggested making the same motion that was made previously factoring in the \$3.25/gallon for diesel fuel. Dr. Seger noted that not one of the schools would qualify for the appeal based on that figure. She also remarked that if that figure was going to be used across the board it would have been nice for the School Corporations to know as they are putting together budgets and before filling out the forms and coming to the hearing.

Motion: Mr. Morris made a motion to send this on to the commissioner to find out what they would be eligible for based on a fuel cost of \$3.25/gallon. Mr. Bowen seconded.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

Discussion on the motion: Mr. Long asked for clarification of the motion. Mr. McLean repeated for him and informed him that no schools have been granted transportation appeals to that point. Mr.

Long also asked if there would be time to resubmit the appeals. Mr. McLean informed him that he has until November 20 to make an appeal.

Goshen Community School Corporation

Elkhart County

Transportation Appeal

Summary: The unit is located in a rural area of Indiana and has run into increased costs associated with the hiring of bus drivers and the employment benefits costs that have increased the overall cost of transportation of students. They are seeking a levy increase of \$442,657 in order to correct the challenge.

Advertised: \$442,657 Excessive Levy in Transportation

Present for the hearing: Bruce Stahly, Superintendent; Janet Gruwell, Assistant Treasurer.

Comments: Mr. Stahly informed the SPTCB that due to their contract their fuel rates are frozen at \$4.19/gallon July 1, 2008 – June 30, 2009. He said that they have met with supplier and asked if they are going to hold them to that price, which they will. He told that SPTCB that the Corporation may be able to get lower rate for the remainder of the year (2009). Mr. Stahly said that they have had a \$170,000 increase in fuel costs alone. Mr. Besinger stated that they likely saved money during the months of June through September of this year. Mr. Stahly agreed. He said their appeal was brought down to \$360,000. Mr. Besinger asked if they backed out fuel and sales taxes from the rate they used to estimate expenses. Mr. Stahly stated that they have presented the firm price and it would be that, plus another 16 cents.

Mr. Stahly said that they could live with the figure proposed by the SPTCB. He said they were told by our supplier that it is better to do the bid in October/November time period, but we are going to be looking at bidding later in the year after their current contract.

Mr. Morris asked about the additional amount being requested beyond what would cover fuel expenses. Mr. Stahly stated that it is for insurance for employees and a 2% raise. He said that they are now paying more for their insurance and are only able to qualify for single coverage, as family coverage is no longer available.

Mr. Jones asked what the projected ending fund balance would be for 2009. Mr. Stahly said it would be about \$180,000 decrease from the \$320,000

Motion: Mr. Morris made a motion to send this on to the commissioner to find out what they would be eligible for based on a fuel cost of \$3.25/gallon and the details of the statutes. Mr. Bowen seconded and stated that they should provide a copy of their contract.

Mr. McLean confirmed with the SPTCB that they are recommending for the Commissioner to use maximum flexibility in addressing this unit's appeal. Mr. Bowen replied that that was correct and that a decision should apply to a portion of the year.

Mr. Besinger stated that the Commissioner should also take into consideration that the School Corporation likely saved money in the months of June through September.

Motion passed by a vote of 5-2. Dissenting votes cast by Mr. Besinger and Mr. Joyce.

Mr. Besinger stated that he commends Mr. Stahly for doing a good job

Fremont Community School

Steuben County

Shortfall Appeal

Summary: The unit is requesting a shortfall for the years 2007 and 2008, totaling \$368,000. The unit has sent the documentation necessary to evaluate the dollar amount of the appeal, and as of this writing, the numbers are not yet confirmed.

Advertised: \$300,000 in General Fund and \$42,119 in Transportation

Present for the hearing: Did not appear

Comments: Mr. McLean stated that Fremont indicated that they would not send a representative to the hearing due to the distance and because the shortfall appeal is simply a mathematical equation.

Motion: Mr. Morris made a motion to move that appeal on to the DLGF to calculate the amount of the shortfall and give the Unit all funds to which they are entitled. Mr. Bowen seconded.

Motion carried by a vote of 7-0.

Fort Wayne Community Schools

Allen County

Shortfall Appeal

Summary: The unit is requesting a shortfall for the years 2007 and 2006 in both Transportation and General Fund, totaling \$1,310,412. The unit has sent the documentation necessary to evaluate the dollar amount of the appeal, as of this writing, the numbers are not yet confirmed.

Advertised: \$1,015,722 in General Fund & \$294,590 in Transportation

DLGF: The unit did not do declare an emergency in those years; presumably the unit “managed” its way through. The unit is entitled to appeal and has demonstrated it qualifies to do so, but the unit does not suggest a need. Our question is: How does a shortfall in pay 06 and pay 07 create a pay 09 need that requires a \$1,310,412 property tax increase to solve?

Present for the hearing: Did not appear.

Comments: Mr. McLean stated that the unit indicated that because this is a mathematical equation they would accept what the DLGF decides is the amount of the shortfall. He said that they did a considerable amount of juggling and borrowing money from one fund to fill-in the need in another and had a compelling explanation.

Motion: Mr. Morris made a motion to move that appeal on to the DLGF to calculate the amount of the shortfall. Ms. Hineline seconded.

Motion carried by a vote of 7-0.

Mr. Morris called for a ten minute break.

Warsaw Community Schools

Kosciusko County

Shortfall Appeal

Summary: The unit requested a shortfall appeal in both the Transportation and the General Fund, totaling \$850,000 for the year 2008. The unit has not sent the county registers necessary to perform the calculation and has been advised to do so.

Advertised: \$750,000 in General Fund and \$325,000 in Transportation

Present for the hearing: Kevin Scott, CFO; Della Swain, Director of Transportation.

Comments: Mr. Scott said the School Corporation has just fewer than 7,000 students and growth has slowed, but ridership is up and they are expecting increase in total miles. He said there is an increased concentration of students in low cost housing and a corresponding increase in reduced lunch and ridership. Mr. Scott said there was also an additional special needs route. He also noted that the 2008 budget is 16.7% higher than the year before.

Motion: Mr. Bowen made a motion that SPTCB accept the request from Warsaw Community Schools

Discussion on the motion: Mr. Morris stated that in a desire to be consistent in the form of being consistent, he would add that they should be given what they are legally entitled to using base of \$3.25/gallon. It was noted that the motion would be joint and the shortfall as well as the transportation appeal would be passed on to the Commissioner.

Ms. Hinline seconded.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

Further discussion on the motion: Mr. Besinger stated that the base is too high at \$3.25/gallon.

Wawasee Community School Corporation

Kosciusko County

Transportation Appeal

Summary: The unit is appealing for a \$300,000 increase due to anticipated increases in transportation costs.

Advertised: \$500,000 in General Fund and \$500,000 in Transportation Fund

DLGF: Requests the circumspect evaluation of the assumptions that underlies the equations necessary to make this appeal.

Present for the hearing: Jim Evans, Director of Finance, Bob Lahrman, Coordinator of Support Services, Tom Edington, Superintendent.

Comments: Mr. Evans reviewed some of the items that have increased cost in addition to fuel prices, such as the full-day kindergarten, additional ridership and increased special education students.

Motion: Mr. Morris made a motion to send this on to the commissioner to find out what they would be eligible for based on a fuel cost of \$3.25/gallon. Mr. Bowen seconded.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

East Allen County Schools

Allen County

Transportation Appeal

Summary: The unit is appealing for a \$605,000 increase due to the anticipated increase in transportation costs.

Advertised: \$500,000 in General Fund and \$898,607 in Transportation Fund

DLGF: Requests the circumspect evaluation of the assumption that underlies the equations necessary to make the appeal; particularly given a review of the statements made by the unit.

Present for the hearing: Kirby Stahly, CFO; Melvin Falkner, Director of Fiscal Services and Transportation.

Comments: Mr. Falkner reviewed the Corporation's transportation appeal, noting that they are the tenth largest district and have more than 10,000 students. He noted that their request is based on increases in rider counts experienced and projected need to provide ridership for all students in both directions for full-day kindergarten. Mr. Falkner added that there are increased numbers of immigrant students as well as special education student, and they have reconfigured two elementary schools so that they now must cover riders for whom safety-wise have too far to walk.

Mr. Falkner stated that the Corporation has new routes, more mileage, more staff, and increased distance, in addition to increased fuel cost. He noted that in April 2007 they were at \$2.43/gallon and by May 2008 fuel was \$4.13/gallon. He said they used a 55% increase for 2009 came up with 5.50/gallon and noted that what is critical is not what the price will be but what the difference is.

Motion: Mr. Morris made a motion to send this on to the commissioner to find out what they would be eligible for based on a fuel cost of \$3.25/gallon. Mr. Bowen seconded.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

Greenwood Community School Corporation

Johnson County

Transportation Appeal

Summary: The unit requests a shortfall appeal in the amount of \$126,000 due to increased cost of fuel. The unit has provided its own summary and narrative of its situation.

Advertised: \$126,000 in Transportation Operating Fund

Present for the hearing: Randall Burns, Director of Fiscal Services; Larry Slone, Director of Operations.

Comments: Mr. Burns reviewed the School Corporations situation leading to the appeal including details about the increases in cost that were more than anticipated. He noted that their top fuel price was \$4.525/gallon on May 28. He said that they also included in their paperwork updates in pricing from other schools near their Corporation.

Motion: Mr. Morris made a motion that the Board should ask the Commissioner to determine what they are entitled to based on suggested price of \$3.25/gallon

Dr. Seger noted that none of the units would qualify based on that number. Mr. Bowen refuted that saying that that was not the case. Mr. Bowen seconded the motion.

Motion failed by a vote of 3-4. Dissenting votes cast by Ms. Hinline, Dr. Seger, Mr. Besinger, and Mr. Joyce.

West Washington School Corporation

Washington County

Transportation Appeal

Summary: The unit believes it will experience a 56% increase in fuel costs and has filed an appeal for \$65,295. The unit does not have accurate data to access tax impact due to county AV and budget challenges. However, they believe the need is pressing enough to appeal.

Advertised: \$65,295 in Transportation Fund

Present for the hearing: Gerald W. Jackson, Superintendent.

Comments: Mr. Jackson stated that their transportation costs increased due to the fuel prices, special education needs, and pre-school routes. He noted that they cannot levy enough to cover these needs.

Mr. Jones asked what the overflow was in their transportation operating fund. Mr. Jackson said that there was no overflow and they were \$65,000 in the negative.

Motion: Mr. Morris made a motion to send this on to the commissioner to find out what they would be eligible for based on a fuel cost of \$3.25/gallon. Mr. Bowen seconded.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

Discussion of motion: SPTCB noted that the bump in cost needs to be dealt with by the legislature. Mr. Jackson said that they do lock-in their prices, but when the time came to do it this time around the prices were too high.

Monroe Central School Corporation

Randolph County

Transportation Appeal

Summary: The unit has requested an increase in its Transportation levy of \$76,000 due to increased costs of fuel and Special Education transportation.

Advertised: Not included

Present for the hearing: Shane Robbins, Superintendent; Melvin. E. Craig, Director of Transportation

Comments: Mr. Robbins reviewed the changes in the transportation needs of the School District, which included a 46 student (4.5%) increase, so there were now more riders, along with more special education riders who must be transported to neighboring corporation for their services. He told the SPTCB that due to this there was a 17 % increase in mileage

Mr. Bowen asked Mr. Robbins why on their transportation budget column 5 and 6 are different and why. Mr. Robbins said that it may have been a typo. Mr. McLean shows Mr. Robbins and Mr. Craig the forms that the SPTCB members are looking at. Mr. Craig states that it is a typo and that columns 5 and 6 should be the same, \$838,000, which is what was advertised. Mr. Bowen remarked that that this amount is almost 100% of what they had before. He then suggested that they go back and revise their forms.

Ms. Hine line asked if \$838,000 is what they advertised. Mr. Craig said he believes so. Mr. Besinger told Mr. Craig that he believes the problem is with line 4 of his form.

Motion: Mr. Morris made a motion that the SPTCB recommend that after the Commissioner sees the appropriate numbers, that she grant the appeal based on what they are entitled to according to the statute and the base fuel price of \$3.25/gallon.

Discussion on the motion: Mr. Craig asked to whom he should submit their information. Mr. McLean stated that Mr. Craig would send it to him. Mr. Bowen seconded the motion.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

Fairfield Community School Corporation

Elkhart County

Transportation Appeal

Summary: The unit has requested an increase in its Transportation levy of \$39,000 due solely on its estimate of increased fuel costs in 2009.

Advertised: \$130,000

DLGF: Requests the circumspect evaluation of the assumptions that underlies the equations necessary to make this appeal.

Present for the hearing: Phil Menzie, Business Manager.

Comments: Mr. Menzie explained the School Corporation's transportation appeal situation, which is based on slight increase in ridership, increased mileage, but primarily the appeal is due to the increase in fuel prices. He said that in 2007 they locked in at \$2.61/gallon. He said they made a bid for \$4.10/gallon in late July, but it was rejected, and recently they were able to lock-in at 3.70/gallon plus 16 cents of tax. Mr. Menzie then asked that SPTCB if the \$3.25/gallon includes the sixteen cents in tax. Mr. Morris replied that it was gross.

Mr. Morris asked Mr. McLean if the increased ridership would help them to justify their appeal. Mr. McLean stated that he believes the Commissioner will take a look at these appeals in total and he intends to point out those things that are relevant to the case of the Unit.

Mr. Menzie stated that he was unclear on where to document additional miles. Mr. Bowen said that he could document them on page 10 of 30 and that would help him. Dr. Seger asked if this case would be one that would be treated similarly to Goshen. Mr. McLean replied yes. Mr. Bowen instructed Mr. Menzie to send the Corporation's contract to Mr. McLean.

Motion: Mr. Morris made a motion that the SPTCB recommend that the Commissioner grant the appeal based on what they are entitled to according to the statute using the base fuel price of \$3.25/gallon. Mr. Bowen seconded the motion.

The motion passed by a vote of 5-2. Dissenting votes cast by Mr. Besinger and Mr. Joyce.

MSD of Boone Township

Porter County

Transportation Appeal

Summary: The unit requests a levy increase of \$20,346.61 in its Transportation Fund due solely on the estimated increase in fuel costs.

Advertised: \$20,300 in Transportation Fund

DLGF: Requests the circumspect evaluation of the assumption that underlies the equations necessary to make the appeal.

Present for the hearing: George Lutz, Superintendent.

Comments: Mr. Lutz stated that they are asking for an increase in transportation levy due to an increase in the price of fuel and the Corporation's mileage for vocational education, for which students now must go to Portage as well as Valparaiso. He noted that the fuel cost is about 14% of the transportation operating budget.

Mr. Bowen commented that it would be of benefit to the Corporation's appeal to document the increased mileage

Motion: Mr. Morris made a motion that the SPTCB recommend that after the Commissioner sees the contracts, that she grant the appeal based on what they are entitled to according to the statute and the base fuel price of \$3.25/gallon.

Mr. Bowen seconded the motion.

The motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

DeKalb County Central United School District

DeKalb/Steuben County

Transportation and Shortfall Appeals

Transportation Summary: The unit requests an increased levy of \$180,902 due to the need of increased bus drivers and the increased cost of fuel between 2007 and 2008.

Advertised: \$257,000 in Transportation

DLGF: Requests the circumspect evaluation of the assumption that underlies the equations necessary to make the appeal.

General Fund Shortfall Summary: The unit is requesting an appeal for an increased levy due to a shortfall in 2007 in the amount of \$378,737 (per Resolution).

Advertised: \$303,505 in General Fund

DLGF: The unit has been advised that the documentation that they had sent was too incomplete to evaluate their appeal. They have been encouraged to get the complete data in.

Present for the hearing: Kenneth E. Fowble, Superintendent; Angie Lockwood, Business Manager; Rod Knox, Director of Transportation.

Comments: Mr. McLean noted that the unit just sent information to calculate shortfall. He suggested that the SPTCB make a recommendation to move this on to the Commissioner for calculation.

Motion: Mr. Morris made a motion to move the shortfall appeal for this unit on to the Commissioner for calculation. Ms. Hine line seconded.

Motion passed by a vote of 7-0.

Comments: Ms. Underwood presented that School Corporations transportation appeal data and explained the circumstances leading to the appeal. She stated that in addition to fuel costs increasing special education had been another factor in their increased costs. Mr. Fowble said they have worked to reevaluate the budget and extracurricular activities and have looked at making fewer stops. He said they are also working with the City of Auburn to receive a grant that would encourage wellness and reduce ridership by encouraging walking and cycling.

Mr. Bowen asked if they know what their total mileage is projected to be for 2009 or 2008. Ms. Lockwood said that she would get that information to the SPTCB. Mr. Bowen asked if when they calculated the 13.8% change, they need to use the 2007-2008 numbers, so he suggested that they redo that and resubmit to DLGF.

Motion: Mr. Morris made a motion that the SPTCB recommend that the Commissioner grant the appeal based on what they are entitled to according to the statute using the base fuel price of \$3.25/gallon.

Dr. Seger asked if in the recommendation the SPTCB should include the \$3.25 given that the other units were using projected figures and this one is using their 2007-2008 numbers. Ms. Lockwood stated that their pricing for the year is going to come in under the \$3.80, but will be more than the \$3.25 suggested as a base fuel price by the SPTCB. Mr. Bowen remarked that the information about where their pricing for the year will land should be included when they resubmit their documents with revisions. Mr. Besinger suggested to Ms. Lockwood that she send in 2009 figures and explain to the Commissioner what she is sending in and why.

Mr. Morris withdrew his original motion.

Motion: Mr. Morris made a motion to recommend that the SPTCB submit the petition to Commissioner, and have the unit include projected 2009 data and grant the appeal based on the statute using \$3.25/gallon as a base price for the cost of fuel. Ms. Hineline seconded.

Motion passed by a vote of 4-3. Dissenting votes cast by Dr. Seger, Mr. Besinger, and Mr. Joyce.

New Prairie United School Corporation (The unit is not appearing)

LaPorte/St. Joseph County

New Facility Appeal

Summary: The unit is requesting a levy of \$62,069 to cover the balance of the appeal they were approved for last year, but did not receive.

Present for the hearing: Did not appear.

Comments: Mr. McLean stated that he spoke with New Prairie and they said they would not appear. He said that their numbers as presented are consistent with what the DLGF has allowed to be used in the past.

Motion: Mr. Morris made a motion to forward this appeal to the Commissioner and ask that she grant whatever is consistent with the statutes. Dr. Seger seconded.

Discussion on the motion: Mr. Bowen wanted to know about some of the numbers on the petition. Dr. Seger and Mr. McLean stated that the numbers could be explained by the fact that this petition is the second half of what was brought before them last year.

Motion passed by a vote of 7-0.

Mr. Morris called for a break at 1:00 PM to reconvene close to 1:30 PM.

Southwest School Corporation

Sullivan County

New Facility Appeal

Summary: The unit has done additions to Carlisle Elementary and Junior High Schools and Sullivan Middle school. It is requesting a levy of \$250,000 to cover the increased costs of operation.

Advertised: \$993,002 in General Fund

Present for the hearing: Walter Hoke, Superintendent; Keith Barker, Assistant Superintendent.

Comments: Mr. Morris asked how many net square feet they have added. Mr. Hoke said it was around 76,000.

Mr. Bowen asked if the \$250,000 was a 12-month expense. He commented that at \$3.29/sq ft, their costs were considerably less than what they had seen.

Mr. said they were sharing space with the high school and have added in this new middle school to replace the old facility.

Motion: Mr. Bowen made a motion to recommend approval of the appeal for Southwest School Corporation in the amount of \$250,000. Ms. Hineline seconded motion

Motion passed by a vote of 7-0.

General Discussion: Mr. McLean stated that the SPTCB should have all of the new facility appeals heard by November 12, 2008 and the cut off for all appeals except for shortfalls is November 20. He said that they would try to have everyone heard by December 5, 2008, and anything that needs to be done after that they will try to do by conference phone call. Mr. McLean said the SPTCB will meet again on November 20 at 10:00 AM. He said he also asked about moving the majority of shortfall appeals to that conference phone call. He will check with legal counsel on conference call and hopes to have the call on December 4, 2008.

Mr. Besinger made a motion to adjourn. Mr. Jones seconded the motion. Motion passed by a vote of 7-0.

The meeting adjourned at 1:37 p.m.